

WHIDBEY ISLAND PUBLIC HOSPITAL DISTRICT
Island County, Washington
January 1, 1991 Through December 31, 1992

Schedule Of Findings

1. District Officials Should Collect Receivable

District officials have not taken sufficient action to collect a \$161,690.30 receivable due under the terms of an agreement for physician services. The receivable is for financial activity occurring under the agreement from June 1989 through November 1990. No payments have been received by the district on the account.

Officials have not actively pursued collection because the district has to have physicians utilizing the hospital, and because the physician disputes his obligation to pay.

The failure to enforce collection provisions under the terms of the agreement could be considered a gift of public funds contrary to provisions of Article VIII, Section 7 of the Washington State Constitution which states:

CREDIT NOT TO BE LOANED. No county, city, town, or other municipal corporation shall hereafter give any money, or property, or loan its money, or credit to or in aid of any individual, association, company or corporation, except for the necessary support of the poor and infirm, or become directly or indirectly the owner of any stock in or bonds of any association, company, or corporation.

We recommend that district officials collect the receivable as provided for under the terms of the agreement.